

August 12, 2015

Item No. 4

AUTHORIZATION TO APPROVE A SPONSOR BASED VOUCHER PROGRAM AND THE TRANSITION AGED YOUTH DEMONSTRATION PROGRAM

TO THE HONORABLE BOARD OF COMMISSIONERS:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1) Approve the Sponsor Based Voucher Program utilizing up to 350 vouchers; individual projects that meet all eligibility criteria shall be pursuant to approval by the Chief Executive Officer or his designee; and 2) Approve the Transition Aged Youth Demonstration Program to utilize 50 of the 350 vouchers in the Sponsor Based Voucher Program under the Demonstration/Pilot Program Initiative process established and approved by the Board of Commissioners in August 2014; transition aged youth (18-24 years old) may not be selected from CHA's waiting list.

The Deputy Chief Housing Officer for Resident Services, the Deputy Chief Housing Officer for Housing Choice Voucher Program, the Chief Housing Officer and the Office of the General Counsel have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL

The Sponsor Based Voucher Program supports CHA's corporate goal to develop healthy, vibrant communities and the Moving to Work goal to expand housing options for low-income persons and the goal of expanding services to more residents, targeted to their needs, and at critical milestones in their lives, while living in a safe, decent and sustainable housing portfolio.

FUNDING: Not Applicable

M/W/DBE Participation: Not Applicable

Section 3: Not Applicable

GENERAL BACKGROUND

Plan Forward Goal 1 calls for CHA to reimagine the final phase of the Plan for Transformation, coordinating public and private investments to develop healthy, vibrant communities. Specifically, the plan called on CHA to explore the creation of a local subsidy program to address local priorities. In 2014, CHA determined it would pursue a Sponsor-Based voucher strategy to support unit delivery as well as to support of local and national initiatives to end homelessness. CHA initially proposed the Sponsor-Based program as a local, non-traditional MTW program. However, after exploration and clarification from HUD, CHA decided to implement the program within standard regulations, utilizing project-based vouchers and master leasing, through the existing Property Rental Assistance program. Plan Forward

Goal 3 calls on CHA to expand services to more residents, targeted to their needs, and at critical milestones in their lives. This goal addresses the need to provide more effective services to residents at important points in their lives. The Sponsor Based Voucher Program meets Plan Forward works to meet the 25,000-unit commitment and complete the Plan for Transformation, while investing in a range of private properties to provide opportunities for special needs and ethnically diverse populations.

Program Model:

CHA will issue a maximum of 350 vouchers to be used in a Sponsor Based Voucher Program, subject to CHA funding availability and in accordance with the HAP contract. A maximum of 50 of these vouchers will be reserved for a demonstration program targeting 18-24 year old young adults who are currently involved in specific programming and who will not come from CHA's waitlist. The following criteria will apply to all Sponsor Agency applications:

- There must be a demonstrated best effort for sponsor based units to be located in an Opportunity or General Area.
- Sponsor Based assistance is for a minimum period of two years to a maximum of seven years.
- Sponsor Agency agrees to provide the necessary social services aligned with the needs of the proposed target population and renew their service commitment annually.
- Applications recommended by the CHA Sponsor Based Voucher Evaluation Committee, which will be made up of following CHA Departments: Asset Management, Development, Finance, Housing Choice Voucher, and Resident Services.
- Sponsor Agency agrees to place candidates from CHA's PRA waitlist or interested persons who maintain a Right of Return before using a site based list.
- Projects that apply to utilize a waitlist other than CHA's waitlist would require BOC authorization as a demonstration program.

Program Implementation:

The following describes the process for implementing the Sponsor Based Program:

- Sponsor Agencies will submit a complete application to the CHA that responds to all the requirements in the application. The sponsor agency must agree to provide supportive services to a target population for the duration of the program. Upon approval by CEO or designee, the Sponsor Agency would enter into a master lease agreement with an owner and obtain Housing Assistance Payments for unit rental. Owner background screening and HQS requirements apply.
- Sponsor Agencies would then sub-lease a unit to a participant.
- While the Sponsor-Based program will be similar to PRA (CHA's name for Project Based Vouchers), it will have a separate application with evaluation criteria that emphasizes the focus on supportive services.
- Applications will be reviewed on a rolling basis until the maximum of 350 units through master leasing has occurred. HAP contracts would be issued for a maximum of seven years, but no less than an initial two year term.
- Social services will be reviewed on annual basis, regardless of length of HAP contract.
- CHA will provide a quarterly utilization report to the Board of Commissioners

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority Board policies and all applicable federal (HUD) procurement laws.

The Deputy Chief Housing Officer of Resident Services concurs with the recommendation to authorize and approve a Sponsor Based Voucher Program and the Transition Aged Youth Demonstration Program.

The CEO/President recommends the Board: 1) Approve the Sponsor Based Voucher Program utilizing up to 350 vouchers; individual projects that meet all eligibility criteria shall be pursuant to approval by the Chief Executive Officer or his designee; and 2) Approve the Transition Aged Youth Demonstration Program to utilize 50 of the 350 vouchers in the Sponsor Based Voucher Program under the Demonstration/Pilot Program Initiative process established and approved by the Board of Commissioners in August 2014; transition aged youth (18-24 years old) may not be selected from CHA's waiting list.

RESOLUTION NO. 2015-CHA -

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated August 12, 2015 entitled: "RECOMMENDATION TO AUTHORIZATION TO APPROVE A SPONSOR BASED VOUCHER PROGRAM AND THE TRANSITION AGED YOUTH DEMONSTRATION PROGRAM"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to:

1) Approve the Sponsor Based Voucher Program utilizing up to 350 vouchers; individual projects that meet all eligibility criteria shall be pursuant to approval by the Chief Executive Officer or his designee; and 2) Approve the Transition Aged Youth Demonstration Program to utilize 50 of the 350 vouchers in the Sponsor Based Voucher Program under the Demonstration/Pilot Program Initiative process established and approved by the Board of Commissioners in August 2014; transition aged youth (18-24 years old) may not be selected from CHA's waiting list.

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